



## **Hazard Mitigation Home Buyout Program - Frequently Asked Questions**

- 1. How long will the buyouts take?** TEMA and FEMA estimate that money will be available for the purchase of homes in 12 – 24 months. Metro Water Services and the Metropolitan Government are committed to expediting the process as much as possible. The first step is to collect a Voluntary Letter of Interest from owners in affected areas. These are then compiled into an application to the Tennessee and Federal Emergency Management Agencies for grant program funds. Once approval is received from TEMA and FEMA, Metro Water Services will obtain property appraisals and complete the acquisition process.
- 2. Will signing the Letter of Interest obligate me to sell my property?** Signing a Letter of Interest by August 1, 2010 does not commit you to selling your property. Until the real estate transaction is complete, an owner may change his or her mind about participating in the buyout program at anytime. Collecting Letters of Interest will simply allow Metro Water Services to gauge how many properties will be included in each buyout application.
- 3. How much will I be offered for my property?** You will be offered fair market value of the property in its pre-flood condition. Pre-flood value is assessed by an independent licensed appraiser. Expenses usually associated with real estate transactions, including the appraisal, title search, closing costs, and if necessary, lot survey, will also be paid for as part of the buyout. The property owner will be responsible for any mortgages and liens against their property, just like any other real estate sale.
- 4. How will my flood insurance and FEMA assistance be counted in the buy out price?** Federal regulations prohibit any duplication of benefits. Flood insurance proceeds that have not been used for rebuilding your house will be deducted from the amount of your buyout. You may apply to FEMA for rental assistance payments while you are in the buyout process. The portion of your FEMA Housing Assistance awarded for rebuilding and not used for that activity or approved for alternative use in paying for temporary housing must be deducted from the amount of your buyout. FEMA funds awarded for Other Needs Assistance are not deducted from the buyout amount.
- 5. Where can I live while I wait for the buyout to be completed?** First and foremost, you should file for FEMA and SBA individual benefits. The Small Business Administration offers special relocation and transitional living benefits to those who can show proof of a buy out

offer. Take the enclosed letter and a copy of your signed Letter of Interest with you to an SBA disaster office ([www.nashville.gov/flood](http://www.nashville.gov/flood) has a list of current offices) and initiate loans for relocation. Metro has engaged housing coaches who can assist you in finding rental options. You can call (615) 862-6778 to speak with a coach or to make an appointment.

**6. Why was my property selected for the buyout program?** The highest priorities for buyouts are residential properties located in the floodway that sustained significant damage in the recent floods. These are the homes that are most at risk for loss of life and property during a future flood event. Homes that are contiguously located to a large number of residences that meet the criteria may also be included in a buyout in order to avoid isolating individual parcels.

**7. Do I have to sell my property to Metro?** All home buyouts are strictly voluntary. Metro Water Services will not use eminent domain to acquire properties for this program. Owners cannot be forced to sell their property for hazard mitigation purposes, regardless of location. Please note, however, that rebuilding a severely damaged home within a floodway requires meeting stringent building codes that may make it cost prohibitive to reconstruct your damaged property. While owners may choose not to sell their property, a home buyout program gives those owners the ability to sell their property at its pre-flood value and relocate to another area.

**8. What will happen to my property after it is bought by Metro Water Services?** By law, property that is acquired in a buyout must be cleared and forever remain open space. Metro will be allowed to create public parks or wildlife refuges, but cannot sell the property to private individuals or develop it.